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FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1992

XQ2-2233

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

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12-12-X
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Commission file number 0-19981

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SYBRON CHEMICAL INDUSTRIES INC.
(Exact name of registrant as specified in its

DELAWARE	51-0301280
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Birmingham Rd., P.O. Box 66, Birmingham New Jersey	08011
(Address of principal executive offices)	(zip code)

Registrant's telephone number, including area code (609) 893-1100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No _____.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 30, 1992
Common stock, $.01 par value	5,650,560

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SYBRON CHEMICAL INDUSTRIES INC.

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PART I - FINANCIAL INFORMATION

SYBRON CHEMICAL INDUSTRIES INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)
ASSETS

	Dec. 31 1991 (Audited)	Mar. 31 1992 (Unaudited)
Current assets:		
Cash and cash equivalents	$ 3,677	$ 3,732
Accounts receivable	26,770	28,142
Inventories	17,237	16,337
Prepaid and other current assets	1,753	1,278
Total current assets	49,437	49,489
Property, plant and equipment	25,554	24,962
Intangible assets	3,989	3,845
Other non-current assets	1,597	1,543
	$80,577	$79,839
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	$ 4,125	$ 4,650
Accounts payable	14,208	14,271
Accrued liabilities	10,164	7,677
Income taxes payable	513	1,097
Total current liabilities	29,010	27,695
Long-term debt	33,328	32,355
Other non-current liabilities	2,012	2,572
Total non-current liabilities	35,340	34,927
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, $.01 par value - authorized 500,000 shares; none issued		
Common stock - $.01 par value - 20,000,000 shares authorized; shares issued 4,865,000	50	50
Retained earnings	16,363	18,319
Cumulative translation adjustment	(186)	(1,152)
Total shareholders' equity	16,227	17,217
	$80,577	$79,839

The accompanying notes are an integral part of the financial statements

SYDRON CHEMICAL INDUSTRIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited in thousands except share amounts)

	Three months ended March 31,	
	1991	1992
Net sales	$ 32,964	$ 36,829
Cost of sales	20,684	22,751
Selling	5,741	6,432
General and administrative	1,897	2,099
Research and development	627	723
	28,949	32,005
Operating income	4,015	4,824
Other income(expense):		
Interest income	98	47
Interest expense	(1,401)	(1,275)
Amortization of intangible assets	(143)	(143)
Other - Net	(224)	(82)
	(1,670)	(1,453)
Income before income taxes	2,345	3,371
Provision for income taxes	1,102	1,416
Net income	$ 1,243	$ 1,955
Net income applicable to common shares after deduction of preferred dividends of $97 in 1991	$ 1,146	$ 1,955
Net income per common share	$ .23	$ .40

The accompanying notes are an integral part of the financial statements

SYBRON CHEMICAL INDUSTRIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited in thousands)

	Three months ended March 31,	
	1991	1992
Cash flows from operating activities:		
Net income	$ 1,243	$ 1,955
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,123	1,121
Changes in assets and liabilities:		
Accounts receivable	(505)	(2,726)
Inventory	910	333
Other current assets	365	488
Accounts payable and accrued expenses	(1,283)	(1,681)
Income taxes payable	1,222	805
Other assets and liabilities - net	116	648
Total adjustments	1,948	(1,012)
Net cash provided by operating activities	3,191	943
Cash flows from financing activities:		
Capital expenditures	(1,241)	(876)
Other-net		19
Net cash used by investing activities	(1,241)	(857)
Cash flows from investing activities:		
Loan proceeds		1,900
Net repayments under revolving credit facilities	(357)	(1,688)
Dividends paid	(195)	
Net cash provided (used) by financing activities	(552)	212
Effect of exchange rate changes on cash	(750)	(243)
Net increase in cash and cash equivalents	648	55
Cash and cash equivalents at beginning of period	5,055	3,677
Cash and cash equivalents at end of period	$ 5,703	$ 3,732

The accompanying notes are an integral part of the financial statements

SYBRON CHEMICAL INDUSTRIES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited in thousands except Share and Per Share Data)

NOTE 1 - ACCOUNTING POLICIES:

The accompanying unaudited consolidated financial statements have been prepared by management pursuant to the rules and regulations of the Securities and Exchange Commission. In the opinion of management, these consolidated financial statements contain all of the adjustments, consisting only of normal recurring adjustments, necessary to present fairly, in summarized form, the financial position of the Company at March 31, 1992 and the results of its operations and changes in its cash flows for the three months ended March 31, 1991 and 1992.

The Company presumes that users of this Quarterly Report on Form 10-Q have read or have access to the audited financial statements for the year ended December 31, 1991 contained in the Company's Registration Statement on Form S-1 which was declared effective by the Securities and Exchange Commission on March 31, 1992. Accordingly, footnote disclosures which would substantially duplicate the disclosures contained therein have been omitted.

NOTE 2 - INVENTORIES:

Inventories are stated at the lower of cost or market. For U.S. operations, cost is determined using the last-in, first-out (LIFO) method. For foreign operations, cost is determined using the first-in, first-out (FIFO) method.

The components of inventories are:

	Dec. 31, 1991	Mar. 31, 1992
Raw materials	$ 5,032	$ 5,112
Work-in-progress	218	228
Finished goods	11,987	10,997
	$17,237	$16,337

NOTE 3 - PUBLIC OFFERING OF COMMON STOCK:

In April 1992, the Company and Selling Stockholders completed a public offering of its common stock of 1,784,000 shares at a price to the public of $20 per share. Of the shares offered, 1,040,000 shares were sold by the Company with net proceeds of approximately $19.3 million. The proceeds were used to retire long-term debt in the amount of $14.3 million and to repurchase 254,440 shares of common stock from certain employees in the amount of $5.0 million. Assuming that the Company issued such common stock and applied the net proceeds therefrom on January 1, 1992 as described herein, the Company's earnings per share for the three months ended March 31, 1992 would have been $.39.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Three Months Ended March 31, 1991 Compared to Three Months Ended March 31, 1992.

The following table sets forth certain information about the Company's two business segments, Environmental Products and Services and Textile Chemical Specialties.

	Quarter Ended March 31,			
	1991		1992	
	Amount	% of Sales	Amount	% of Sales
	(in thousands except percentages)			
Sales				
Environmental Products and Services	$11,836	35.9%	$12,913	35.1%
Textile Chemical Specialties	21,128	64.1	23,916	64.9
Total	$32,964	100.0%	$36,829	100.0%
Cost of Sales				
Environmental Products and Services	$ 8,704	73.5%	$ 9,237	71.5%
Textile Chemical Specialties	11,980	56.7	13,514	56.5
Total	$20,684	62.7%	$22,751	61.8%
Gross Margin				
Environmental Products and Services	$ 3,132	26.5%	$ 3,676	28.5%
Textile Chemical Specialties	9,148	43.3	10,402	43.5
Total	$12,280	37.3%	$14,078	38.2%
Operating Expense				
Environmental Products and Services	$ 2,289	19.4%	$ 2,504	19.4%
Textile Chemical Specialties	5,976	28.3	6,750	28.2
Total	$ 8,265	25.1%	$ 9,254	25.1%
Operating Income				
Environmental Products and Services	$ 843	7.1%	$ 1,172	9.1%
Textile Chemical Specialties	3,172	15.0	3,652	15.3
Total	$ 4,015	12.2%	$ 4,824	13.1%

Sales for the first quarter of 1992 improved 11.7% over the first quarter of 1991. The Environmental Products and Services segment increased by 9.1% while the Textile Chemical Specialties segment grew by 13.2%.

The growth in the Environmental Products and Services segment resulted from sales increases in most of the major product lines within this segment. Sales improvement of the ion exchange resins product line, which accounts for a significant portion of this segment, resulted from expansion of distribution channels in the Company's export business and growth in the home water softening market which was aided by an increase in housing starts. Quantities sold increased 18.5% which more than offset a 4.7% decline in overall selling prices. Pricing on ion exchange resins has been lower due to competitive pressures, especially from foreign sources, which, in turn, has led to U.S. suppliers lowering prices to remain competitive. Sales in the biochemicals product line increased as a result of continued growth in the waste treatment markets served by the Company, including industrial and municipal waste water, bioremediation of contaminated soil and household and consumer products.

Sales growth in the Textile Chemical Specialties segment was led by significant increases in America Division textile chemical sales. This increase resulted from a general increase in textile manufacturing activity in the U.S. and continued share increases in both the dyehouse and finishing markets. These market share increases resulted from new products and continued success in marketing programs and strategies. Quantities sold increased 17.2% while selling prices declined a modest 0.5%. Sales of the organic chemicals product line, a relatively small portion of this segment, expanded substantially due to a significant increase in custom manufacturing.

Europe Division textile chemicals sales for the first quarter of 1992 in terms of U.S. dollars showed a modest increase despite a negative currency translation effect of 6.2%. Tonnage sold increased by 12.2% which primarily resulted from substantially increased sales to the former USSR. Selling prices in terms of local currencies were flat from period to period.

The overall gross margin for the first quarter of 1992 was 38.2% which increased from 1991's first quarter rate of 37.3%. The Environmental Products and Services segment gross margin improved to 28.5% in 1992 from 26.5% in 1991 primarily as a result of greater manufacturing productivity and a significant decrease in the cost of styrene. The gross margin of the Textile Chemical Specialties segment improved slightly to 43.5% in the first quarter of 1992 from 43.3% for the same period in 1991.

Operating expenses as a percent of sales remained flat at 25.1% during both periods.

Liquidity and Capital Resources

At March 31, 1992, the Company had the following credit facilities and outstanding balances open under these facilities: a $5.50 million reducing revolving credit facility expiring in 1995 with $2.70 million owing; a $6.59 million reducing revolving credit facility repayable in Dutch guilders expiring in 1995 with approximately $2.70 million owing; a $2.0 million working capital line with $.706 million owing which was utilized for the Company's Taiwanese subsidiary and a lira equivalent line of credit of $1 million for an Italian subsidiary with approximately $1 million owing.

In April 1992 the Company and Selling Shareholders completed an initial public offering (the "Offering") of 1,784,000 shares of its common stock at a price to the public of $20 per share. Of the shares offered, 1,040,000 were sold by the Company with net proceeds of approximately $19.3 million. In connection with the Offering, certain officers of the Company (the "Optionees") exercised options to purchase 700,000 shares of the Company's common stock. The Company utilized the proceeds from the Offering to repay long-term debt of approximately $14.3 million and to repurchase 254,440 shares of its common stock from the Optionees for approximately $5.0 million. The Optionees utilized proceeds from this sale to pay income taxes that were incurred in connection with the exercise of the options. Due to continued growth and the repurchase of the Optionees stock, the Company is currently negotiating with its Senior Lender for an increase in its credit facilities. In addition, as a result of the stronger financial condition resulting from the Offering, the Company is also negotiating for improved terms and conditions including a rate reduction and the change to an unsecured credit facility.

Foreign Exchange

The Company has subsidiaries throughout Europe, Asia and several other countries. Transactional as well as translation gains or losses are periodically generated due to the movement of exchange rates. It is the Company's policy to periodically hedge transactional business depending on the amount and the length of the exposure. A portion of the Company's translation risk is hedged with the Dutch Revolving Credit Facility which is repayable in Dutch guilders since a large portion of the Company's European earnings and assets are realized in this currency.

Impact of New Accounting Standards

In February 1992, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (FAS 109"). FAS 109 mandates the liability method for computing deferred income taxes. The effective date for adopting the new standard is fiscal years beginning after December 15, 1992. The Company has not determined the impact of the new standard on its financial statements, or whether it will reflect the initial application of the standard as a cumulative effect of a change in accounting principle in the year of adoption, or as a restatement of prior years' financial statements.

In December 1990, the FASB issued Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Post Retirement Benefits Other Than Pensions (OPEB)" ("FAS 106"). FAS 106 mandates the accrual basis of accounting for the expected costs of providing postretirement benefits other than pensions. The effective date for adoption of FAS 106 is fiscal years beginning after December 15, 1992, although earlier adoption is permitted. FAS 106 permits employers to immediately recognize their "transition obligation" (as defined in FAS 106) or to recognize such transition obligation on a delayed basis (not to exceed 20

years) as a component of net periodic OPEB costs. The Company has estimated that its unrecorded pre-tax transition obligation as of December 31, 1992 is between $3 million and $6.2 million. Upon adoption, assuming immediate recognition of the transition obligation, the Company has estimated that its annual pre-tax provision for OPEB benefits would increase by $250,000 to $650,000. The ranges could be effected by further actuarial reviews and also by possible modifications of current OPEB plan benefits.

PART II - OTHER INFORMATION

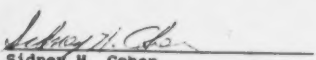
Item 1. Legal Proceedings

There have been no material developments in connection with any pending legal proceedings as reported in the Registrant's Form S-1 Registration Statement which became effective on March 31, 1992.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SYBRON CHEMICAL INDUSTRIES INC.



Sidney H. Cohen
Vice President, Secretary,
Treasurer and Chief Financial
Officer (Principal Financial
and Accounting Officer)

Date: May 12, 1992